

Former Colleague Aided U.S. In Trapping Ex-C.I.A. Agent

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WASHINGTON, June 26 — Last July, Ernest R. Keiser, an urbane New York businessman with mysterious intelligence connections, approached the Justice Department with an unusual offer. He said he could help the Government capture Edwin P. Wilson, a former American intelligence agent accused of illegally aiding Libyan terrorists.

At the time, Mr. Wilson was living in Libya and the American Government seemed powerless to bring him back to the United States to stand trial on a number of charges, including the illegal shipment of explosives to Libya and conspiracy to commit murder.

Mr. Keiser said he knew Mr. Wilson and thought he could lure him out of Libya so that the Federal authorities could arrest him.

Nearly a year later, on June 15, Mr. Wilson was arrested by Federal agents at Kennedy International Airport in New York City after being snared in a trap set by the Justice Department and Mr. Keiser. He was arraigned in Federal District Court here on June 18 and is currently being held in the Washington area with bail set at \$20 million.

His capture was the final act in an international drama that began last July. Played out on three continents, with dozens of participants, many unwittingly involved, the effort to apprehend

dox manhunt ever conducted by the Justice Department, according to department officials. Mr. Wilson's attorney has questioned the legality of the way his client was captured.

Because of the clandestine nature of the effort and the involvement of several individuals whose credibility is questionable, a definitive account cannot yet be pieced together. Several key participants, including the Federal

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prosecutors who supervised the effort, have declined to discuss the matter.

However, a reconstruction of events is possible, based on interviews with Mr. Keiser, Government officials and private individuals who were involved or familiar with parts of the trap that ensnared Mr. Wilson. What follows is their account of what happened.

The Government's initial efforts to apprehend Mr. Wilson, which began soon after he was indicted in April 1980, involved the issuance of international arrest warrants and preparation of the groundwork for extradition should he be apprehended. Mr. Wilson, by the time of his indictment, had fled the United States, moving his base of operations from Washington to Europe and Libya.

In August 1980, Mr. Wilson was seized by officials in Malta and held in custody for more than three days, but he fled shortly before he was to be turned over to the American authorities.

Eager But Sceptical

The appearance of Mr. Keiser last summer was viewed with mixed feelings by Justice Department officials. On the one hand, they were frustrated by their inability to capture Mr. Wilson and were eager for Mr. Keiser's assistance. On the other hand, some officials questioned Mr. Keiser's credibility and worried about what he might want in return. He went to the Justice Department, according to Government officials, after first approaching the White House, where officials expressed little interest in his offer.

Mr. Keiser, who lived in Mamaroneck, N.Y., at the time, described himself as a real estate and construction entrepreneur who spent 20 years in the

Middle East handling a variety of intelligence assignments for the United States and other nations, department officials said.

He told officials that he met Mr. Wilson in South America in the mid-1960's while Mr. Wilson was working for the Central Intelligence Agency. He said he and Mr. Wilson had collaborated on a number of business deals.

Mr. Keiser said he decided to offer his help to the Government after hearing about published accounts of Mr. Wilson's alleged criminal activities.

Background Is Unclear

Much about Mr. Keiser's background, however, was unclear then, even to Justice Department officials, and remains so. The exact nature of his intelligence work, for instance, is a mystery. The C.I.A., according to Reagan Administration officials familiar with the case, reported that Mr. Keiser had never worked directly for the agency, but did not rule out the possibility that he might have had an indirect association.

Mr. Keiser, who appears to be in his mid 50's, has thinning light hair and a jaunty air. He speaks fluent English with a slight Germanic accent, but he said in an interview that he had grown up in Argentina and attended boarding school in Chile.

Mr. Keiser's credibility was such an issue to some Federal officials that when senior officials at the Federal Bureau of Investigation learned about his offer to help apprehend Mr. Wilson, they declined to participate in the case because, one senior bureau official said, Mr. Keiser was considered "unreliable."

F.B.I. officials said that some years ago Mr. Keiser proved to be an untrustworthy informant in another case. Mr. Keiser's attorney, Eugene M. Propper, said that the charge "was ludicrous."

Channels of Communication

Despite serious misgivings, Justice Department officials decided by last August to work with Mr. Keiser. By late August he had opened channels of communication with Mr. Wilson and the fugitive's associates in Libya and Europe. Dan Drake, an associate of Mr. Keiser, traveled to Tunisia late last summer for a meeting with several Wilson associates, according to Government officials.

Mr. Keiser's strategy, worked out with Justice Department officials, was to lure Mr. Wilson out of Libya by several means. One was to create lucrative business deals that would require his presence elsewhere. A second was to convince him that senior American national security officials were interested in intelligence information he might have about Libya and the Middle East and would consider urging the Justice Department to be lenient in his case.

Mr. Wilson was apparently receptive

to the idea of leaving Libya because of the spartan living conditions there.

For Mr. Keiser, officials said, the key was gaining Mr. Wilson's trust. The turning point came in January, when Mr. Keiser made two trips to Libya to see Mr. Wilson. The groundwork for the visits had been laid by Mr. Drake and by a series of preliminary business discussions on the telephone between Mr. Wilson and Mr. Keiser.

The primary deal discussed in these meetings, according to sources familiar with them, was the development of 2,000 acres Mr. Keiser said he owned in Florida. The land, 12 miles from Disney World, near Orlando, is considered prime development property, according to area real estate dealers.

The land is held by a company called Meadowood Associates Inc., a Florida corporation that Mr. Keiser claimed to own. In fact, he had only an option to buy the company at the time. The option expired in May before Mr. Keiser could raise enough money, according to Joseph L. Sharit Jr., the vice president of Meadowood.

Mr. Keiser somehow managed to disguise this deception from Mr. Wilson, who gave him \$200,000 as an investment in the property.

In the January meetings in Libya, according to Government officials, Mr. Wilson also expressed a strong interest in pursuing suggestions that Mr. Keiser had made about finding a safe haven somewhere in South America or the Caribbean. As time passed, this hope became the major inducement for Mr. Wilson to leave Libya.

False Irish Passport

Before Mr. Keiser left Libya, Mr. Wilson gave him an Irish passport to use for visa applications and other travel documents that would be required if Mr. Wilson needed to make a trip. The false passport identified Mr. Wilson as "Philip McCormick."

Coincidentally, several months before, an associate of Mr. Wilson's in London took the same bogus passport to the American Embassy to apply for a visa to enter the United States. The visa was approved. There are conflicting reports on whether officials at the American Embassy knew it was Mr. Wilson's passport and notified the Justice Department.

Not long after his return from Libya, Mr. Keiser opened a Washington office at 1016 22nd Street, N.W., a town house owned by Mr. Wilson. The move was tangible proof that Mr. Wilson trusted Mr. Keiser. It also served as a symbol of credibility for Mr. Keiser as he expanded his connections into Mr. Wilson's business circles.

Mr. Keiser's landlord in Mamaroneck, Dr. Burt Bell, said that his tenant moved out suddenly in March, departing without leaving a forwarding address. His destination turned out to be McLean, Va., a Washington suburb.

where Mr. Keiser rented a house, telling his new neighbors that he was in the real estate business.

Offer of Sanctuary

By late March, Mr. Keiser had convinced Mr. Wilson that he would find a safe haven in the Dominican Republic, according to Justice Department officials. Enlisting the help of his own business and intelligence connections in the Dominican Republic, Mr. Keiser was apparently able to construct a credible offer of sanctuary that withstood at least one effort by Mr. Wilson to check its authenticity. It could not be confirmed whether the Dominican Government cooperated.

Satisfied with the plan and eager to leave Tripoli, Mr. Wilson instructed Mr. Keiser to get the necessary travel documents. Mr. Keiser obtained a Dominican visa issued in the name of Philip McCormick. Unexpected problems, however, delayed Mr. Wilson's departure, and th

In late May, Mr. Wilson indicated he was ready to move. Another Dominican visa was obtained, and plane reservations were made. On Sunday, June 13, Mr. Wilson flew from Libya to Zurich.

After his arrival in the early evening, he met with Mr. Keiser, a lawyer from Geneva and several other associates, never leaving the international zone of the Zurich airport.

Swiss Officials Alerted

The Swiss authorities, alerted about his travel plans by the United States, did not interfere with his movements. Several United States marshals shadowed Mr. Wilson on his 24-hour stopover at the airport.

On Monday evening, accompanied by Mr. Keiser, he flew to Madrid and changed planes for a nonstop flight to Santa Domingo, the Dominican capital. When Mr. Wilson and Mr. Keiser arrived before dawn on Tuesday, the Dominican authorities, also alerted by the

minutes before a Dominicana Airlines nonstop flight for New York was scheduled to depart.

After advising Mr. Wilson his passport was invalid, the authorities put him aboard the plane to New York. The marshals, who had traveled the same route from Zurich, arrested Mr. Wilson when the plane landed at Kennedy.

Forty-five minutes after Mr. Wilson left Santa Domingo, Mr. Keiser caught American Airlines flight 640 to Miami.

Mr. Wilson's attorney, John A. Keats, has said he believes the Government may have improperly apprehended his client, and he apparently intends to begin his defense by challenging the propriety of the trap.

Clearly, normal extradition procedures were not followed, but the Supreme Court, in two cases, has ruled that while a defendant must receive due process in the United States, courts need not address how a fugitive came